May 11, 2010

Manitoba Economic Highlights

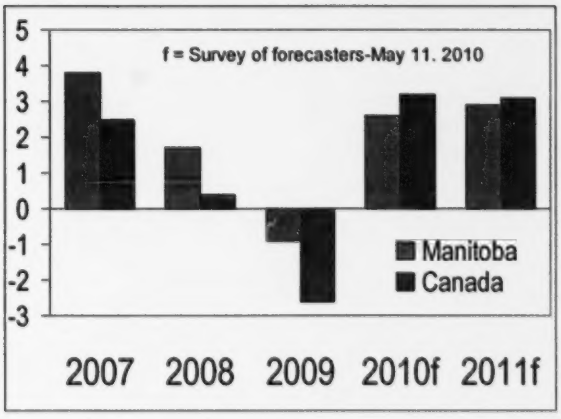
Economic Overview

Real Gross Domestic Product

- In March, the Manitoba Bureau of Statistics estimated that Manitoba's real GDP contracted by 0.9% in 2009. Statistics Canada estimates that the Canadian economic shrank by 2.6%.
- In 2010, the Manitoba economy is forecast to grow 2.6% below Canada's 3.2% growth and 2.9% in 2011 slightly below Canada's growth of 3.1%.
- Statistics Canada estimated that Manitoba real GDP at basic prices by industry declined 0.2% in 2009 the second best performance among the provinces. Canada is estimated to have declined by 2.9%

- Manitoba real GDP economic performance exceeded Canadian performance for 4 consecutive years from 2006 to 2009.
- Manitoba's population increased by 16,435 in the year ending January 1, 2010, the best performance since at least 1972.
- Manitoba outperformed the national economy in virtually all of the major economic indicators in 2009.
- In 2009, Manitoba had the second lowest unemployment and youth unemployment rate.
- In 2009, there were only 65 business bankruptcies in Manitoba, the lowest level since 1977.

Real GDP (% Change)



Consumer Price Index

- In the first three months of 2010, the Manitoba CPI increased 1.5% compared to the 1.6% Canada increase. Energy (6.2%) has the largest increase while shelter has declined 1.2%.
- In 2009, the Manitoba CPI increased 0.6% compared to the 0.3% national increase.
  - Food (5.3%) had the largest increase while energy declined 11.4% in 2009

Labour Market

Employment

- In the first four months of 2010, Manitoba's employment increased by 8,900 or 1.5% above the national increase of 0.7%.
- In 2009 Manitoba's employment increased by 200 compared to a national decrease of 276,900. Manitoba was one of only three provinces to post an increase in employment last year. Employment

Employment (% Change)

	2009	2010ytd
Manitoba		
Total Employment	0.0	1.5
Full-Time	0.1	(0.2)
Part-Time	(0.1)	8.7
Canada		
Total Employment	(1.6)	0.7

Note: Changes are calculated relative to the corresponding period in the previous year.

Unemployment Rate

- In the first four months of 2010, Manitoba's unemployment rate was 5.2%, second lowest behind Saskatchewan. The youth unemployment rate was 10.4%, also second lowest in Canada.
- Historically, Manitoba's unemployment rate has averaged 2.0 to 2.5 percentage points below Canada. In 2009, this spread increased to 3.1 points.
- From 1998 to 2009, Manitoba had the lowest annual unemployment rate among provinces five times, and the second-lowest rate five times.

Average Weekly Earnings

- In the first two months of 2010, average weekly earnings in Manitoba were up 1.0%, below Canada's increase of 2.7%.
- In 2009, average weekly earnings in Manitoba were up 2.8%, above Canada's increase of 1.6% and fourth highest among provinces.

Population

- As of January 1, 2010, Manitoba's population stood at 1,228,964, a one-year increase of 16,435 persons. This 1.4% increase was fourth best among provinces.
- The official population for a year is based on July 1st which for Manitoba in 2009 was 1,221,964, an increase of 1.3%
- The most significant factor driving Manitoba's population growth is the Provincial Nominee Program. Since it began immigrants entering Manitoba under PNP has steadily increased.

Net Migration

- In the year ending January 1, 2010, 11,029 more people moved to Manitoba than left.
- During the same period, net international in-migration totaled 11,946, more than the net inter-provincial out-migration of 1,568. This is the smallest out-migration since 1985.

Economic Activity

Manufacturing Sales

- In the first two months of 2010, Manitoba manufacturing sales declined 8.4% compared to a 7.5% national increase.
- In the first two months of 2010, two Manitoba industries increased. Other non-durables (20.9%) and primary metals (14.9%) have increased while 12 industries have declined.
- In 2009, Manitoba manufacturing sales decreased 11.0% to $14.6 billion. Canadian sales declined 17.4%. Manitoba's performance bettered the national average for the ninth consecutive year.
- In 2009, three Manitoba industries increased sales led by electrical appliances (14.4%) and machinery (0.9%) while eleven industries declined with primary metals, printing, wood and paper industries leading the losses.

Industries with Strongest Growth in the Value of Manufacturing Sales (% Change)

	2009	2010ytd
Oth. non-durables	(6.5)	20.9
Primary metals	(29.6)	14.9

Farm Cash Receipts

- **Note: at this time Statistics Canada is not planning on releasing the 2009 fourth quarter farm cash receipts data until late May, 2010.**
- In the first three quarters of 2009, Manitoba cash receipts were unchanged at $3.6 billion.
- Crop receipts increased 2.7% led by vegetables (13.7%) and oilseeds (9.5%). Livestock receipts were up 1.6% on the strength of an 11.5% increase in hog receipts. Direct payments declined 27.7%.
- Preliminary estimates by the Manitoba Bureau of Statistics indicate that Manitoba annual cash receipts increased 3.8% in 2009 to $4.9 billion.

Note: Changes are calculated relative to the corresponding period in the previous year.

- MBS estimates that crop receipts were up 1.4% with weakness in wheat and canola offset by gains in other crops. Livestock receipts are estimated to have risen 0.4% with weakness in cattle offset by strength in hog receipts. Direct payments are estimated to have risen 39.3%.

Farm Cash Receipts (% Change)	2008	2009
Canola	35.9	(8.7)
Wheat	29.0	(5.7)
Hogs	(13.5)	9.4
Cattle	3.4	(9.0)

- Agricultural diversification has altered the structure of the sector. In 1990, wheat accounted for 29% of farm cash receipts but by 2009 only 15.8%. In 2009, the largest receipts source was canola (18.6%) followed by wheat, hogs (15.4%) and cattle (9.6%).

Retail Sales

- In the first two months 2010, Manitoba retail sales increased 6.0%, above the Canadian increase of 5.4%. Manitoba sales rose on the strength of home furnishings (20.0%), gasoline (15.2%) and health and personal care (12.6%).
- In 2009, Manitoba retail sales declined 0.4% better than the 2.9% decline in Canada. The decline in 2009 retail sales were led by gasoline (-11.3%) and motor vehicle (-5.2%) sales. Recreation and book (11.4%), health and personal care (8.0%) and general stores (5.4%) have the largest increases.

Investment

- Statistics Canada's Private and Public Investment Survey from February 2010 shows that Manitoba's 2009 capital investment increased 4.0%, second highest among provinces. Manitoba was one of only four provinces to have an increase in investment in 2009. Investment in Canada declined 11.4%.
- The Survey shows that Manitoba's private investment decreased 8.7% less than half the national decline of 17.6%. In 2009, private capital investment accounted for approximately 63% of capital investment in Manitoba.
- Manitoba's public investment increased 36.1%, second highest among the provinces and significantly above the 13.4% increase in Canada.
- A number of major investment projects were underway in 2009, including the Winnipeg Floodway expansion, the Wuskwatim hydro-electric dam, the Keystone Pipeline and a new airport facility.
- In 2010, capital investment is projected to decrease 1.1% below the Canadian increase of 4.4%. Manitoba's private investment is projected to decrease 7.8% and public investment to increase 10.3%.

Housing Starts

- In the first quarter of 2010, Manitoba starts increased 60.4%, above the national increase of 47.3%. Single starts rose 34.8% while multiples have more than doubled.
- In 2009, Manitoba housing starts declined to 4,174 units, a 24.6% decrease and better than the 29.4% national decline. Single starts are down 17.6% while multiples declined 38.7%.
- The 4,174 housing starts in Manitoba in 2009 is the lowest level since 2003 but is still better than any other year since 1988..
- In the first four months of 2010, Manitoba urban housing starts increased 49.4% while Canadian starts were up 58.4%. Manitoba single starts rose 25.3% while multiples increased to 343 from 154 in 2009.

Housing Starts (All Areas) (% Change)	Manitoba	Canada
2007	14.1	0.4
2008	(3.5)	(7.6)
2009	(24.6)	(29.4)
2010ytd	60.4	47.3

Note: Changes are calculated relative to the corresponding period in the previous year.

Building Permits

- In the first three months of 2010, the value of Manitoba building permits increased 20.4%. Permits in Canada were up 36.6%.
- The value of Manitoba residential permits increased by 47.8% while non-residential permits declined -11.8%. The non-residential decline was across all three categories
- The value of permits in Winnipeg rose 45.0% while outside of Winnipeg they decreased 13.7%.
- In 2009, the value of building permits in Manitoba decreased 4.6%. Non-residential permits were up 16.1% while residential permits decreased 14.7%. Canada permits were down 13.3%.

Bankruptcies

- In the first two months of 2010, business bankruptcies increased from 7 to 16 or 129% in Manitoba and declined 24.2% in Canada.
- In the first two months of 2010, consumer bankruptcies decreased 14.9% in Manitoba and 13.9% in Canada.
- In 2009, business bankruptcies decreased 36.9% in Manitoba, and declined 12.1% in Canada. Consumer bankruptcies increased 20.6% in Manitoba below the 28.4% increase in Canada.

Foreign Merchandise Exports

- In the first two months of 2010, Manitoba exports decreased 17.2%, while Canadian exports were up 3.5%.
- In the first two months of 2010, Manitoba's U.S. exports decreased 18.9% while non-U.S. exports were down 13.3%.
- In 2009, Manitoba exports decreased 19.0%, while Canadian exports were down 26.6%. Manitoba's U.S. exports decreased 20.7% while non-U.S. exports were down 15.2%. Commodity exports were particularly weaker.

Foreign Merchandise Exports (% Change)	2009	2010ytd
All Countries	(19.0)	(17.2)
U.S.	(20.7)	(18.9)
Non-U.S.	(15.2)	(13.3)

Electricity Sales

- In the first three months of 2010, the value of domestic sales declined while exports have increased. Mild weather conditions and the rise in the Canadian dollar contributed to the decline in sales.
- In 2009, the value of Manitoba electricity sales declined. Domestic sales increased while exports were down.
- Approximately 80% of export sales are to the United States with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US; consequentially the decline was substantially influenced by the rising Canadian dollar.

Manitoba Finance

Economic and Fiscal Analysis Branch, Taxation, Economic and Intergovernmental Fiscal Research Division
(204) 945-3757

Director: Jim Hrichishen
Jim.Hrichishen@gov.mb.ca

Manager: Narendra Budhia
Narendra.Budhia@gov.mb.ca

Analyst: Jim Gibbs
Jim.Gibbs@gov.mb.ca

Analyst: Stephen Verhaeghe
Stephen.Verhaeghe@gov.mb.ca

Please click on **economic statistics** to view the data underlying this report.

Note: The 2010 Economic Review and Outlook is available at:

www.gov.mb.ca/finance/budget10/papers/economy.pdf

Note: Changes are calculated relative to the corresponding period in the previous year.

Table 1: Economic Indicators — May 11, 2010

	2005	2006	2007	2008	2009	2010 (ytd)		
			($ Millions)					
Gross Domestic Product								
Nominal	41,512	44,957	48,727	50,324	50,200	52,810	a	(annual)
Real (2002=100)	38,603	39,880	41,394	42,079	41,685	42,769	b	(annual)
Investment								
Total	6,836	7,837	8,903	10,008	10,410	10,297	c	(annual)
Private	5,091	5,811	6,267	7,166	6,542	6,032	c	(annual)
Public	1,745	2,027	2,635	2,842	3,867	4,266	c	(annual)
Non-residential	5,201	6,042	6,803	7,698	8,080	7,962	c	(annual)
Housing	1,635	1,796	2,099	2,310	2,330	2,335	c	(annual)
Sectors								
Farm Cash Receipts	3,801	3,677	4,339	4,766	4,948		d	(annual)
Crops	1,293	1,271	2,199	2,743	2,781		d	(annual)
Livestock	1,809	1,780	1,727	1,673	1,679		d	(annual)
Direct Payments	699	626	413	350	488		d	(annual)
Manufacturing	13,688	14,862	16,168	16,378	14,571	2,105		(Feb)
Mineral Production	1,576	2,616	3,070	2,528	1,943			(annual)
Electric Power Sales	1,797	1,697	1,667	1,737	1,560	436		(Mar)
Housing Starts All Areas (Units)	4,731	5,028	5,738	5,537	4,174	860		(Mar)
Retail Trade	12,372	12,874	14,016	14,980	14,915	2,121		(Feb)
Foreign Merchandise Exports								
Total	9,301	10,195	12,196	12,973	10,511	1,486		(Feb)
US	6,973	7,671	8,348	8,906	7,061	999		(Feb)
Labour Market								
Labour Force (000s)	609.4	613.5	623.9	633.0	640.2	647.6		(Apr)
Employment (000s)	580.3	587.0	596.5	606.7	606.9	613.7		(Apr)
Participation Rate (%)	68.6	68.8	69.4	69.6	69.4	69.6		(Apr)
Unemployment Rate (%)	4.8	4.3	4.4	4.2	5.2	5.2		(Apr)
Youth Unemployment Rate (%)	9.7	8.8	9.0	9.0	10.2	10.4		(Apr)
Average Weekly Earnings ($)	671.11	690.55	731.21	750.84	771.55	777.60		(Feb)
Consumer Price Index								
(2002=100)	106.6	108.7	110.9	113.4	114.1	114.7		(Mar)
Population								
July 1st estimates (in thousands)	1,178.3	1,184.0	1,193.9	1,206.1	1,222.0	1,229.0		(Jan)

(ytd) - year to date

(a) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Conference Board.

(b) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Survey of Economic Forecasters.

(c) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

(d) The 2009 farm cash reciepts data are preliminary estimate by the Manitoba Bureau of Statistic.

Table 2: Economic Indicators — May 11, 2010

	2005	2006	2007	2008	2009	2010 (ytd)	
		(% Change)					
Gross Domestic Product							
Nominal	5.1	8.3	8.4	3.3	(0.2)	5.2 a	(annual)
Real (2002=100)	2.8	3.3	3.8	1.7	(0.9)	2.6 b	(annual)
Investment							
Total	2.0	14.6	13.6	12.4	4.0	(1.1) c	(annual)
Private	0.2	14.1	7.9	14.3	(8.7)	(7.8) c	(annual)
Public	7.9	16.2	30.0	7.8	36.1	10.3 c	(annual)
Non-residential	0.4	16.2	12.6	13.2	5.0	(1.5) c	(annual)
Housing	7.8	9.8	16.9	10.0	0.9	0.2 c	(annual)
Sectors							
Farm Cash Receipts	(1.5)	(3.3)	18.0	9.8	3.8		(annual)
Crops	(28.6)	(1.7)	73.0	24.7	1.4		(annual)
Livestock	12.0	(1.6)	(2.9)	(3.2)	0.4		(annual)
Direct Payments	62.4	(10.4)	(34.1)	(15.1)	39.3		(annual)
Manufacturing	3.2	8.6	8.8	1.3	(11.0)	(8.4)	(Feb)
Mineral Production	12.1	66.0	17.3	(17.7)	(23.2)		(annual)
Electric Power Sales	25.2	(5.5)	(1.8)	4.2	(10.2)	(1.9)	(Mar)
Housing Starts All Areas	6.6	6.3	14.1	(3.5)	(24.6)	60.4	(Mar)
Retail Trade	5.9	4.1	8.9	6.9	(0.4)	6.0	(Feb)
Foreign Merchandise Exports							
Total	0.0	9.6	19.6	6.4	(19.0)	(17.2)	(Feb)
USA	1.7	10.0	8.8	6.7	(20.7)	(18.9)	(Feb)
Labour Market							
Labour Force	0.1	0.7	1.7	1.5	1.1	1.9	(Apr)
Employment	0.6	1.2	1.6	1.7	0.0	1.5	(Apr)
Average Weekly Earnings	4.6	2.9	5.9	2.7	2.8	1.0	(Feb)
Consumer Price Index							
(2002=100)	2.7	2.0	2.0	2.3	0.6	1.5	(Mar)
Population							
July 1st estimates (in thousands)	0.4	0.5	0.8	1.0	1.3	1.4	(Jan)

(ytd) - year to date

(a) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Conference Board.

(b) - Data for 2005 to 2009 are from the Manitoba Bureau of Statistics; 2010 is from the Survey of Economic Forecasters.

(c) - Based on Statistics Canada's Survey of Public & Private Investment intentions.

(d) The 2009 farm cash reciepts data are preliminary estimate by the Manitoba Bureau of Statistic.